MESSAGE

OF

HENRY M. HOYT,

TO THE

GENERAL ASSEMBLY

OF

PENNSYLVANIA,

JANUARY 2, 1883.

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VIRTUE
LIBERTY AND
INDEPENDENCE

[No. 1.]

MESSAGE

OF THE

GOVERNOR OF PENNSYLVANIA,

JANUARY 2, 1883.

Gentlemen of the Senate and House of Representatives:

In the interval since the last bi-ennial session of the General Assembly, the Commonwealth has gone steadily forward in orderly and healthy growth. New sources of wealth have been opened within her borders—new enterprises of great moment have been inaugurated, and real progress seems to be the word, all along our lines. We must gratefully recognize the Providence which has maintained these conditions by which we are surrounded.

All good citizens apprehend those broad underlying principles of intelligence, virtue, and industry, upon which this superstructure has been raised. In the main, the constructive results of these principles are controlled, neither in their origin nor their tendency, by legislative or executive acts. You are assembled, in pursuance of the mandate of the Constitution, as the sovereign power in the State, to enact such ordinances as shall maintain these influences at their best; to see that no destructive interferences arise; to impose the rule of even-handed justice and fair play upon the collisions between different men and communities and interests. It is my duty to suggest some of the topics which may engage your attention, and to take a survey of some of those governmental departments over which the State must have the absolute control, and of some of the institutions over which it extends its fostering care. The variety and the scope of the elements of our State life, and the expenses of regulation, will require some detail in statement. If the inventory grows lengthy, it is because the wealth and agencies involved well and signally illustrate the activities of a great people. You have definite action to take, and it is your right to require precise information, but the constituencies behind us may justly feel great pride and gratification at the summary.

STATE FINANCES.

Four years ago our people had not emerged from the effects of the long and disastrous prostration of business; and their ability to respond to the demands of the Treasury to meet expenses was seriously impaired. The financial officers of the State, at that time, found large failures in the

sources of revenue confronting them. They wisely counted on the recuperative power of our industries, and effectively tided over the situation without the imposition of any added burthen upon the taxpayers:

At that date the State debt was	$21,875,620 86
At this date the State debt is	20,225,083 28
Reduction of debt in four years, ...	$1,650,537 58
From this total of State debt is to be deducted assets in Sinking Fund, amounting to	7,992,983 82
The net State indebtedness December 1, 1882, is . . .	$12,232,099 46

In 1879, during the administration of State Treasurer A. C. Noyes, there was refunded an outstanding debt of $2,000,000, bearing six per cent. interest, by a loan of a like amount, bearing four per cent. interest, the premiums on which were $30,002 83.

In 1882, during the administration of State Treasurer Samuel Butler, State loans of over $10,000,000, bearing in the main six per cent. interest, were refunded by loans of $9,450,000, bearing interest at three, three and one half, and four per cent. per annum. The premium on these loans amounted to $449,562 00.

The result of these operations has been to reduce the annual interest which the State pays upon its interest-bearing debt from $1,233,623 72 in 1878, to $874,460 in 1882, an annual saving of $359,163 72 on this account.

There is at present, under the administration of State Treasurer S. M. Baily, in the sinking fund, $2,077,073 90 cash. As none of the State loans are at present re-imbursable, the treasurer has no lawful authority to apply this fund to reduction of the debt, except by going into the market and buying the bonds of the State at a premium, handsome, indeed, and creditable to the State, but embarrassing to a financial officer charged with accountability. These bonds, at market rates, now bear premiums about as follows:

The three and one half per cents. are selling at	$106
The four per cents. are selling at	117
The five per cents. are selling at	119

Before assuming such responsibility, the treasurer is fairly justified in awaiting a legislative command.

The skill and integrity which have worked these results, are entitled to the highest approval of the people of the State. To vigilance and efficiency on the part of the State Treasurers, the Auditor Generals, and the Attorney General during these years, are due these hopeful figures, and recognition for high public trusts, honestly fulfilled, will be cheerfully awarded them.

While the finances of the State are in this satisfactory condition, they, and the system of taxation upon which they are based, must be considered also in reference to local taxation for city, county, school, poor, and road purposes. Of course, it is a truism that taxation should bear equally upon all classes of property. It is further legitimate to impose the proper burdens upon corporations deriving valuable franchises from the State, and for licenses and other grants for special privileges. It will be important

to note the sources of revenue to the State. For the last year they were as follows:

Lands,	$5,605 47	Patent medicine licenses,	$4,503 20
Tax on corporation stock and limited partnerships,	1,675,388 80	Theater, circus, &c., licenses,	6,040 80
Tax on gross receipts,	658,670 91	Bonus on charters,	130,991 91
Tax on coal companies,	90,703 86	Office license fees,	10,480 99
Tax on bank stock,	350,171 59	Accrued interest,	50,336 39
Tax on net earnings or income,	74,265 15	Penalties,	578 17
Tax on gross premiums,	32,057 86	Pamphlet laws,	275 41
Tax on loans,	686,790 38	Notaries public commissions,	10,275 00
Tax on personal property,	437,776 61	Allegheny Valley Railroad Company,	439,069 41
Tax on writs, wills, deeds, &c.,	109,104 28	United States Government,	94,561 15
Tax on collateral inheritances,	476,852 02	Commutation of tonnage tax,	460,000 00
Tax on sale of fertilizers,	3,780 00	Annuity for right of way,	10,000 00
Foreign insurance companies,	234,939 10	Escheats,	3,073 87
Tavern licenses,	493,862 32	Fees of public officers,	50,472 99
Retailers' licenses,	305,934 92	Refunded cash,	697 57
Eating-house licenses,	79,632 26	Dividends on stock owned by the Commonwealth,	80 00
Brewers' licenses,	9,188 42	Conscience money,	16 00
Billiard licenses,	16,534 60	Miscellaneous,	1,551 27
Brokers' licenses,	9,886 34		
Auctioneers' licenses,	6,538 04		
Liquor licenses,	36,076 50		$7,068,529 66
Peddlers' licenses,	1,766 10		

The total expenditures for the same time were $5,024,766 41.

Of this aggregate, more than four millions were derived from taxes on corporations. The only item which, in any true sense, is a direct tax on the people, is that of $437,776 64, "tax on personal property." This tax is derived from money at interest, watches, and carriages. If it is desirable to retain the taxes on the national banks, which yield the State nearly three hundred and fifty thousand dollars annually, this "tax on personal property" cannot be abolished, as the acts of Congress, creating the national banks, forbid their being subject to any greater tax than is imposed upon "other moneyed capital" in the State. There is no tax for State purposes on real estate. Except certain corporate bonds and stocks, and the road beds and shops and mechanical devices of railroads, all *property* in the State is liable to local taxes, for city, county, school, poor, and road purposes. The laws for their levy and collection are substantially uniform, sufficiently understood by the people, and their full execution depends on the fidelity and nerve of the local officer and the temper of the taxpayers. In this distribution of burthens between the State and the local subdivisions, I am aware of no instance in which any community or interest suffers any relative injustice, although indefinite claims are made to that effect. I cannot conceive how "horizontal equality" of taxation is to be secured except by details so minute, inquisitorial, and vexatious, as to be distasteful to the people, inefficacious, and out of all proportion to the results accomplished. If all the taxes of all the people, for all purposes in the whole State, were accumulated into the State treasury, no scheme of redistribution can be devised which could reach the growing needs, the conflicting claims, and changing equities of different localities. It will be a dangerous departure from the habits and customs of the people to destroy the autonomy of local government in the municipal subdivisions. That in the single case of the public schools, the State takes out of its treasury and hands, (not back, but,) to the school districts, one million dollars annually, and has so fixed it unalterably in the Constitution, is to testify its determination that there shall be no shortcomings in

duty to an interest, vital to the districts and the State as a whole. There are no serious mischiefs in the system to correct, and no violent remedies need to be applied. Adjustments and adaptations will be suggested by experience from time to time. This is the theory upon which the revenue bills, to be submitted to you by the commission, provided for in 1881, have been constructed.

There is, however, a safe and practicable scheme by which there might now be a partial redistribution of the burthens of taxation. Under the present and prospective revenues of the State, larger sums go annually into the Sinking Fund than can be availably used. There are required from it, the interest on the State debt and the extinguishment each year of at least two hundred and fifty thousand dollars of the principal of the public debt, according to the provisions of the Constitution. Under existing statutes the fund is swelled by taxes largely in excess of these demands. Opinions differ as to the greater or less rapidity with which the State debt ought to be paid off. We have no debt maturing until 1892, except an annual amount of two hundred and fifty thousand dollars. If the money in the Sinking Fund is to be employed in buying the bonds of the United States or this State to any greater extent, it can only be done now by going into the open market and purchasing them at the large premiums referred to. I would recommend, therefore, a diversion of funds which come into the State Treasury from the Sinking Fund to the general fund, except only the sums demanded for payment of interest and the Constitutional requirement as to principal, together with such additional reserve as prudence and the contemplation of further moderate reduction of the debt might indicate. After subserving all these purposes the State Treasury would still, if estimated revenues held out, be in such a position of strength as to dispense with the taxes derived from some or all of the following sources: Tavern licenses, retailers' licenses, eating-house licenses, and billiard licenses. The revenue derived from these licenses, which now goes into the State Treasury, could be left in the treasuries of the various counties whence it comes, and would, to that extent, relieve the people from local taxes for the support of their courts, and for other county uses. I am persuaded that the finances of the State will, without inconvenience, permit these taxes to be diverted from the State Treasury to the treasuries of the respective counties.

PUBLIC SCHOOLS.

The reports of Dr. E. E. Higbee, Superintendent of Public Instruction, deal in a full, clear, and satisfactory manner, with our great system of common schools. You will find much gratification in his official presentation of the magnitude and progress of the work in this Department. It may stimulate our confidence and our pride in the system to glance at some of the statistics which it presents:

The annual expenditures of all kinds were $8,263,244 54. The value of school property is $28,346,560.

Appropriation by the State to the common schools, . . .	$1,000,000 00
Normal schools, ...	82,000 00
Soldiers' Orphan schools, ...	381,764 15
	$1,463,764 15

The number of school directors is fifteen thousand; there are nearly twenty-two thousand teachers, and the number of pupils enrolled is nine hundred and fifty thousand. To these extensive agencies, we may add the numerous academies, colleges, and universities, which are supported by voluntary contributions and private patronage, in which other thousands of young men and women are making preparation for the various callings and professions of our social life.

As the Superintendent well says: "This work is going on without pomp or glitter, in the small houses that dot our hills and valleys, unseen and unheeded by the gadding world; yet it is felt at every hearthstone of the Commonwealth, and holds quiet possession of the home-hearts of our communities, and, if rightly directed and sanctified by the truth, its benison *there* must be its best recognition and reward."

It is happily made to appear that the common school and high school, provided for by State and local taxation, are intended, in no sense, to exclude, or come into antagonism with, the academic culture provided by the voluntary educational tendencies of the people. The State compels a certain amount of elementary training, and, in the flexibility of the system, permits school directors to carry their high schools to any grade of scholarship demanded, or assented to, by their local taxpayers. They are, in these regards, entirely in the discretion of the people of the several districts. Upon this basis, extensions of the work are to be made by private enterprise. But nowhere are these agencies in conflict. The bond of connection between them, while not a legal one, is a vital one, and comes through the popular impulse towards education. The estate of learning throughout the whole Commonwealth thus comes to have organic wholeness, and to be pervaded by one common life.

I concur in the recommendation of the superintendent that the minimum time during which the public schools should be open each year, should be enlarged to six months; as also, that the appropriation made by the State to each district should be distributed on the basis of the average number of children in attendance, rather than on the basis of taxables in the respective districts, as is now the law.

THE STATE NORMAL SCHOOLS will doubtless be constrained to present their condition and their claims to the Legislature. Some of them are badly involved in debt, and others, which have contracted no serious indebtedness, are without adequate equipment. These schools are an important and valuable part of the educational work of the State. During the past four years the appropriations to these schools, by the State, have been distributed to them on the apparent equity of each case. The payments thus made have not been absolute, but for their amounts, liens have been taken, in favor of the State, against the property of the schools. I think this policy should be continued until all the schools are relieved of any indebtedness, not improvidently contracted, and their equipment fairly equalized. In that event, these normal schools should be brought, to a greater extent, under the control of the State. Thereafter they should be self-sustaining, and not expect that the State should come to their aid, indefinitely.

THE SOLDIERS' ORPHANS' SCHOOLS are now, by law, under the superintendency of the Department of Public Instruction. The reports show them in a healthy condition, physically, intellectually, and morally.

There are now two thousand nine hundred and sixty-three children in these schools. By existing law it is provided that they shall be finally closed on June 1, 1885. It is estimated that, at that date, there will be on their rolls, seventeen hundred and seventy children. Whatever action this, or future General Assemblies may take in enlarging the classes who may receive this form of the State bounty, some provision ought now to be made for the children who will be actually in the charge of the State in 1885. It can scarcely be contemplated that they are to be dismissed summarily without homes or help, and the schools closed abruptly. Such response to the grateful and humane instincts which inspired this magnificent form of the State's beneficence, would make its ending unworthy of the years of effort and expenditure which have been so grandly sustained, without regret, by the people.

INDUSTRIAL REFORMATORY AT HUNTINGDON.

By an act of the General Assembly, approved on the 8th day of June, 1881, it was directed that a State Industrial Reformatory should be constructed and erected on the property of the State at Huntingdon, and which had been purchased for the purpose of a penitentiary.

In carrying out the terms of this act, a Board of Commissioners has been appointed, which has determined upon and adopted suitable plans for the necessary buildings, and has made contracts for some of them. When completed, they will embrace about ten acres of the premises enclosed by a guard wall, four wards for the dormitories for five hundred inmates, chapel, school-rooms, and the various buildings and structures in which different industrial and mechanical pursuits are to be carried on. Of these, the foundations of the walls have been laid. The exterior walls of one ward and one school-building have been nearly completed. The water supply and the main culverts draining the premises into the Juniata river have been provided. All this work is of the most complete description, and has been faithfully and honestly done.

The details of the plans have been adopted in view of the special uses of the Reformatory. They have been agreed upon, after the most thorough examination of the whole subject, both by the commissioners and their architects, and have been the result of visits to like institutions in other States. I am persuaded they embody the latest and wisest experience in its relation to the scheme. The statute referred to enacts, that when completed, "the board of managers shall receive and take into said reformatory all male criminals between the ages of fifteen and twenty-five, and not known to have been previously sentenced to a penitentiary or State prison in this or any other State, who shall be legally sentenced to said reformatory on conviction of any criminal offense in any court having jurisdiction thereof." "The said industrial reformatory shall be constructed to accommodate at least five hundred prisoners, and in such a way as to admit of their classification and their instruction and employment in useful labor." This instruction will include mental, moral, and industrial education, which, combined in an orderly and systematic course, underlies the whole theory. I deem it unnecessary to urge again the views upon this subject embraced in my bi-ennial message of 1881. Their soundness and practicability have, since that date, been strongly justified by further examination, and by practical experience which reaches us from many other States and countries.

No serious doubt has been suggested affecting, unfavorably, the value of the undertaking. The act itself was passed upon the unanimous report of a joint committee of the Senate and House of Representatives at the last session; and it secured the cordial indorsement of both Houses. The construction and maintenance of such an institution may be regarded as part of the settled policy of the State. The details of the work, done and contemplated, will more fully appear in the report of the commission submitted to you. It is the only public building now being erected by the State. The Eastern and Western Penitentiaries will, upon its completion, be largely relieved of inmates who are now crowding their capacity. It will be a wise and true economy to provide for the complete erection and equipment of this institution, and to make the necessary appropriations therefor—not for present expenditure—but to be applied to buildings, the designs of which must now be settled upon; the uses of which are to be now contemplated, and the parts of which are to be treated, at last, as a whole, with a unified purpose running through it. The commission in charge of the undertaking have been so unwearied in their efforts to carry out the expressed intent of the Legislature, and so devoted to its successful accomplishment, that in very virtue of their wise and faithful management hitherto, their recommendations will attract your approval.

PENITENTIARIES.

There are two penitentiaries in the State—one in Allegheny and one in Philadelphia. The Western Penitentiary has been in process of rebuilding for several years, at a cost of several hundred thousand dollars. The course of treatment pursued there is that known as the congregate system. Its official direction is complete and satisfactory, and upon its entire re-organization in its new buildings, it may safely be committed to the continued supervision of its present management.

The Eastern Penitentiary has reached about its limit of cell capacity. It is conducted on the separate confinement or individual treatment system. It has not met with the uniform approval of those who claim to be specialists in this branch of political economy, and social science congresses occasionally assume to condemn its mode of dealing with its inmates. It has, for more than fifty years, held consistently to the statute creating it. Much as the system has been controverted, I deem it just, as one who has given some attention to this subject, to say, that for convicts who have deliberately joined the criminal class—for those whose age or repeated conviction render them amenable to punitive rather than reformatory methods—and for those against whose violent passions or confirmed habits society can find no protection but in incarceration, the separate system affords the most complete opportunities of treatment, and yields the best attainable results. There is no occasion to enter into the controversy which has long been carried on between the advocates of the congregate and the separate systems of prison discipline. But to the Hon. Richard Vaux, who for forty years has continuously exercised the office of inspector, and to his associates, is due the credit of demonstrating that the system of "solitary confinement," as practiced in the Eastern Penitentiary, is not only not a reproach to the civilization of Pennsylvania, but that as a *penitentiary*, and for certain classes of criminals, it is as wise, as humane, and as effective as any yet devised.

In neither of the penitentiaries in this State has there ever been an attempt yet made to administer them on the vulgar, wicked, unworthy consideration of making them self-sustaining. In neither of them, has it been forgotten that even the convict is a human being, and that his body and soul are not so the property of the State, that both may be crushed out in the effort to re-imburse the State the cost of his scanty food, and at the end of his term, what then is left of him, be dismissed, an enemy of human society.

REFORM SCHOOLS.

There are two institutions in the State for the reform of juvenile offenders—the State Reform School at Morganza, Washington county, and the House of Refuge at Philadelphia. The latter is a private corporation, to which the State gives financial aid and official inspection, but in which it has no administrative control. It is fulfilling the purpose of its erection with substantial success.

The Reform School at Morganza was originally a local institution, but its property and its control are now in the hands of the State. The property consists of a valuable farm of several hundred acres, in a high state of cultivation, well constructed brick buildings, containing family rooms, dormitories, and work-shops, capable of accommodating about five hundred boys and girls. In addition to labor on the farm, employment is given on the premises in many forms of trades industry. Schools are open daily for all the inmates. The discipline was found to be firm and parental. It is a pleasure to assure you, that after making, in company with a number of gentlemen qualified to judge, an official inspection of similar institutions in several of the States, which had received judicious approval from persons familiar with the appliances needed in such schools, we found our own school at Morganza easily and decidedly the superior in discipline, comfort, and efficiency, to any we had seen. The directors and superintendent of this institution deserve commendation for restoring it to a condition of the greatest usefulness.

STATE CHARITIES.

The State has in operation five hospitals for the care of the insane—at Norristown, Harrisburg, Danville, Warren, and Dixmont. The latter is not strictly a State institution, but receives liberal aid from the State. In them are accommodations for nearly four thousand patients. The buildings have cost several millions of dollars, and are constructed in view of the largest experience. In all of them, certain sums are required of the State for annual maintenance. For the indigent insane, the proper county or poor district re-imburses a certain portion of the expense. In general, the State receives in return something more than half the cost of support. Some of the hospitals are overcrowed, others have a paucity of inmates disproportioned to their capacity for treatment. It is evident that the State has made a much broader provision for this class than will be actually required in many years. The Board of Public Charities have been, year after year, laying their reports, minute and careful in their facts and recommendations, before the Legislature, but they have received no adequate attention. No criticism is intended of the management of any one of these institutions. Still it is admitted that in so vast a scheme

of charity, there is a want of system and unity in administration which needs legislative action. There ought to be uniform charges made against township and county authorities by all the hospitals, to prevent what the board justly call "a pernicious spirit of rivalry and underbidding, ending in lowering the standard of institutional care, and finally bringing it down to the level of the ordinary alms-house." Provisions should be made for transferring patients from the overcrowded institutions, and, if need be, the whole system of "districts" broken up. Above all, the Legislature should hit upon some general principle upon which appropriations are to be made to them for maintenance. Otherwise, the undue urgency of some one institution, or the combined ingenuity and persistence of all together, may lead either to an inequitable distribution of your bounty, on the one hand, or an utterly extravagant one, on the other. Such a uniform rule it will not be hard to discover.

As there is, at disposal of the Board of Public Charities, no fund with which to carry their inquiries beyond the range of State institutions, I requested a commission of gentlemen, experts in medicine, law, and technical treatment and management, who proposed to do so at their own expense, "to examine into the present systems, and inquire into the legislation and experience of other States and countries, and to make report of their investigations, conclusions, and recommendations, for the further protection of the insane." These investigations extended to "the care, mode of introduction into public and private asylums, general scope of treatment, mode of supervision, and release." Their report, in the form of "a bill," I transmit to you. It has involved a vast amount of research, labor, and expense, which the gentlemen of the commission have voluntarily undergone. It is accompanied with a transcript of the laws of every State and territory in the Union, and with translations of the French and German laws. The English laws have been fully studied. The information which has been thus gained, and by great familiarity with institutions for the insane in many of the States of Europe, has been availed of, in order to give excellence to the scheme of legislation on this question. I commend it to you as legislation suited to the civilization under which we live.

In 1879, the Legislature directed the erection of a State hospital for injured persons of the anthracite coal region, for the counties of Schuylkill, Carbon, Northumberland, Columbia, and Dauphin. This institution is now completed. The buildings are well arranged, the site is an eligible one, and the purposes of the act seem likely to be successfully reached. The trustees took possession of the premises in April last. Deeming it important that the hospital should be promptly opened, and the buildings being unprovided with the necessary furniture and appliances, they have advanced the funds required. In the situation of affairs, then, this was a discreet and judicious exercise of their functions, and its propriety will be recognized. In the incomplete condition of the hospital grounds, further appropriations must be made in this behalf.

Besides these State institutions, very liberal appropriations have been made in the interests of the defective classes in institutions not under State control. These are pure charities, and have, in the main, been made on the basis of the number of the wards which the State has placed in them. In this work, the State has only undertaken to supplement the

work of private charity and benevolence. These institutions are the "Pennsylvania Working Home for Blind Men," the "Pennsylvania Institution for Instruction of Blind," both in Philadelphia; "Training School for Feeble-Minded Children," at Media—one of the most interesting and beneficent of all the charities in the State; "Pennsylvania Institution for Instruction of Deaf and Dumb," at Philadelphia; "Western Pennsylvania Institution for Instruction of Deaf and Dumb," at Pittsburgh. At the best, the State undertakes to provide for only a very insignificant proportion of our fellow-citizens stricken with these disabilities. It will scarcely occur to us that any consideration should weaken the humane impulses under which we have hitherto lent aid to cheerless lives. Some thousands of dollars were, also, appropriated to purely private hospitals, in which were no State patients, in the different cities of the State—Pittsburgh, Williamsport, Wilkes-Barre, Scranton, York, and Harrisburg.

PUBLIC BOARDS.

Among the most important agencies of the State is THE BOARD OF PUBLIC CHARITIES. It is their duty, at all times, to look into and examine the condition of all charitable, reformatory, or correctional institutions within the State, financially and otherwise, to inquire and examine into their methods of instruction, the government and management of their inmates, the official conduct of trustees, directors, and other officers and employés of the same, the condition of the buildings, grounds, and other property connected therewith, and into all other matters pertaining to their usefulness and good management. They are the eyes and ears of the people who, themselves, rarely venture into forbidding precincts or behind prison bolts. These are very important functions. They are to be performed without pay. So far as is possible with the means placed at their disposal, they have been done with a full measure of diligence, thoroughness, and intelligence. This is evidenced by their reports, from time to time, laid before you. At the last session of Congress an act was passed levying a tax of fifty cents for each person not a citizen of the United States, who shall come from any foreign port to any port within the United States. The money thus collected constitutes a fund, to be used under the direction of the Secretary of the Treasury, in defraying the expenses of the relief of immigrants arriving in distress, and provides for the maintenance of any lunatic, pauper, or other person unable to take care of himself without becoming a public charge. The act also provides that all foreign convicts, except those charged with political offenses, shall, upon arrival, be sent back to the nation to which they belong. At my recommendation, the State Board of Charities was designated by the Secretary of the Treasury to execute the provisions of the act. Valuable relief will come to our prisons and alms-houses by an effective discharge of this duty.

THE STATE BOARD OF AGRICULTURE is quietly doing a work which might deservedly attract more public interest and attention. It is a medium through which much information important to the farmer, the fruit-grower, and the stock raiser can be disseminated. As there has been occasion to say before, the papers read before its meetings are worthy of a permanent record, and some means for wider and more appropriate distribution should be devised.

The agent appointed to execute the act of May 1, 1879, "to prevent the

spread of contagious or infectious pleuro-pneumonia among cattle in this State," has effectually eradicated the disease in the State, and at a much less expense than a like work has been done, in any of the neighboring States.

THE BOARD OF COMMISSIONERS OF THE SECOND GEOLOGICAL SURVEY make report of their work and their estimates for the future. The unfinished survey is mainly confined to the anthracite coal region. Reasons are assigned for the delay and increased cost of this portion of the work, and the letter press and maps illustrating it. They say: "But such work cannot be done within the time nor for the money named in our former estimate. It will require at least three more years and fifty thousand dollars. Whether the Legislature will be willing to expend that amount for the benefit of an interest the most important in the State—in fact, the most important of the kind in the known world, and which has contributed to the State Treasury, directly and indirectly, millions of dollars in taxation—is not for this Board to say. If not, the work will be wound up as well as possible, leaving about two thirds of the anthracite region unsurveyed." When it is reflected that the commercial results of this survey have been to bring into this State millions upon millions of money for investment in anthracite and bituminous coals, iron-ore, and other minerals, and in related railroad and transportation enterprises, and that this effect came from confidence in the scientific accuracy of the work of this Board, I trust you will see reasons to provide for the completion of this great and interesting undertaking.

Thus, gentlemen, you have, at a single view, a history, in its entirety, of the educational, penal, charitable, and economical work carried on by the State.

To this work was appropriated, by the Legislature in 1881, for annual expenditure, sums as follows:

Educational,	$1,463,764 15
Penal,	367,198 75
Charitable,	681,654 35
	$2,512,617 25

With the exception of the legislative, executive, and judicial departments, and the interest on the public debt, these institutions embrace all the principal objects upon which the money of the State is expended.

The future prosecution of this work is so exclusively in the control of your own judgment and wisdom, that it becomes me to offer no further suggestions. Large sums of money are disbursed annually in these interests. It is done by boards of trustees and inspectors appointed from the body of our fellow citizens, and rigorously free from partisan politics. They steadily give their time, their skill, and their experience to these public trusts, and that without compensation. Within my knowledge, there has not, in all of them, been a dollar of public money misappropriated or lost by misconduct or improvidence. It is an exhibition of rectitude and fidelity to the common weal which should stir us to a proud and cheerful acknowledgment. The whole record of these various boards and administrative heads is without blemish, and their absolute integrity is unquestioned and unquestionable. I desire to thank them for the frankness and courtesy with

which they have accepted official visitations, and replied to official inquiries.

LIFE INSURANCE.

The magnitude of this interest may be estimated by the fact that in the years 1880 and 1881 the regular life companies of this and other States authorized to do business in Pennsylvania received premiums from their business in this State amounting to $10,483,836. Of this sum $3,025,109 was received by companies of this State, and $7,358,696 by companies of other States, upon which last-named sum a tax amounting to $221,768 88 was paid into the State treasury for the privilege of doing business in this Commonwealth.

During the same years companies organized under the laws of this State to insure lives upon the assessment plan, received, in premiums and assessments, the sum of $5,500,989, upon which no tax was paid to the State; and paid for death claims the sum of $2,959,302. The balance of $2,541,687 was appropriated by these companies to agents, officers, and expenses. Most of these companies engaged, without warrant of law, in business of a purely speculative character, and entire communities were demoralized by their nefarious operations. The evil attained such magnitude that it was found necessary to institute legal proceedings for their suppression, which has been happily accomplished through the instrumentality of the proper authorities. It is to be hoped that this impressive lesson will not be lost or forgotten, and that it will in the future deter the public from placing their trust in methods of life insurance, or specious substitutes therefor, which are without solid foundation in morals or mathematics.

The act of 1873, establishing an Insurance Department, prescribes a standard of solvency without conformity to which no regular life company is permitted to do business in Pennsylvania. This standard is one universally recognized wherever life insurance is treated as a science, and is absolutely exact, inasmuch as it compels each company to have assets equal to its present and future liabilities. Without such computation of future liabilities, and the possession of present assets, life insurance is based upon nothing actual or tangible, but becomes a mere venture or experiment. What is known as coöperative insurance, more commonly as grave-yard insurance, is not, in fact, worthy of the name. In many instances it may operate as a *beneficial* society, and when honestly conducted worthily answer present and pressing emergencies; but as a system of insurance it is without substance or stable foundation, and may degenerate into mere speculation, or fall to pieces at any moment. Without cohesive power other than the voluntary action of members, companies conducting business upon this plan may dissolve without much warning, and entail loss and disappointment upon hundreds confiding in them for the future maintenance of themselves and their families.

These coöperative insurance companies claim a warrant for corporate existence under section thirty-seven, act of May 1, 1876, being a supplement to the act of 1873, "to establish an insurance department." Justice to the good name of the State, and protection to the people, demand that the recommendations of the insurance commissioner in this behalf should be acted upon. The firmness and intelligence which have marked Mr. Forster's administration of that responsible office are worthy of all praise.

THE NATIONAL GUARD.

As now constituted, the National Guard is composed of a single division, three brigades, fifteen regiments, three companies of cavalry, three batteries of artillery, the battalion State Fencibles, and two Independent companies, aggregating eight thousand two hundred and twenty officers and enlisted men. They are distributed through the State in such numbers and in such localities as seemed likely best to subserve any duty to which they might be assigned. The guard is well equipped, and armed in an approved manner. The mobility and efficiency of the whole command has been well attested, both in camp and in route, on more than one occasion. The quartermaster and commissary departments have been fully proved in their capacity to furnish prompt and economical supplies.

There is a great degree of pride in the organization on the part of officers and men. They are citizens of the State, and it is no overstatement to say that they are among the best of our citizens. They have had a common motive to reach the great excellence they have now attained. They have spent months and years in devotion to their respective corps, for which they never have and never will receive any compensation, except the consciousness of a public duty well done on their part.

It is scarcely conceivable that in a State, great and prosperous as is Pennsylvania, with interests and property of such magnitude, any lawful means of protection, under the forms of law, should be overlooked or refused: with brave and chivalrous instincts in her children, which can best take form in military duty, it is inconceivable, I think, that such a State should dispense with her citizen soldiery. The fact that the National Guard has an actual existence will always prove to be among the best of reasons why it will not be called into actual use; and if it is to be maintained at all, every motive of pride, economy, and usefulness dictates the highest state of efficiency. To-day it is probably as compact, as harmonious, and as highly disciplined a body of men as mere volunteer soldierly is ever likely to submit itself to be moulded into.

No legislation is required in reference to this subject. No voice of protest has come up from the people indicating any dissatisfaction with the Guard itself, or an earnest desire to dispense with it, in the absence of a well-tested substitute. Its continuance, under such conditions as will enable it to hold its own present state of usefulness and efficiency, as well as the confidence of the public, seems desirable in all points of view.

REMAINS OF WILLIAM PENN.

By joint resolution of the Senate and House of Representatives, on the sixteenth day of May, 1881, the Governor was requested to communicate with the trustees having in charge the grave-yard of Jordan's meeting-house, in Buckinghamshire, England, and with the representatives-at-law of William Penn, with a view to the disinterment and transfer of the remains of William Penn to the city of Philadelphia, for public re-interment in that city.

Before any official action was taken under this resolution, and acting on public rumor, the trustees of Jordan burying-ground notified me that they had practically concluded the matter, by refusing to accede to the wishes of the Legislature. While the purpose embodied in the resolution was not approved by all who assumed to express an opinion touching it,

the duty of the Governor was defined by its terms. To avoid delay and a tedious correspondence, it was determined to send a personal representative of the Executive to the parties in interest. Mr. George L. Harrison, a public-spirited and judicious citizen of Philadelphia, consented, on solicitation, to convey the message of the people of Pennsylvania, embodied in the action of the General Assembly. With the added sanction and coöperation of the President of the United States, through the Secretary of State, he visited England in person, at his own expense, and sought, by well-directed negotiations, to carry out the objects expressed in the joint resolution. His application was finally denied.

He has, without cost to the State, made a printed report of his mission. Mr. Harrison well and faithfully sought a successful issue of the undertaking. His presentation of the motives which might fairly dictate the proposed removal of the remains of William Penn to the soil of Pennsylvania, upon which he illustrated the greatest and best work of his life, is worthy of record, and really affords a satisfactory justification of the action of the Legislature. His own conduct, in the peculiar nature of his negotiations, was intelligent, courteous, and zealous, and he has omitted no appeal suggested by patriotism, sentiment, or logic. There must be general regret that the people of the State have failed in an affair which deserved success.

BOARD OF PARDONS.

Herewith, will be submitted a list of the pardons recommended and granted during the last four years, together with the reasons in each case. The whole number of pardons issued in that time was one hundred and sixty-eight, arising out of one hundred and forty-nine cases. The number of convicts in our jails and penitentiaries is about five thousand—which number represents the constant population in penal institutions, under conviction. It is a testimony to what I conceive to be the fidelity of the Board of Pardons, that the applications before them have steadily decreased, year by year, being one hundred and sixty-five in 1879, one hundred and thirty-seven in 1880, one hundred and twenty-five in 1881, and one hundred in 1882. A pardon is an act of mercy, and mere grace, in most cases, and is not to be judged by the rules of exact justice. If it were an act of pure right in favor of the applicant, it would cease to be a pardon. There are many avenues by which the Board may be rightly approached in seeking the exercise of clemency—justice, mis-trial, sufficiency of punishment, sympathy, the sufferings of an innocent family, and numerous other considerations. As the Governor is not a member of the Board, and does not hear the presentation of the cases, I have, in the absence of reasons to suppose some imposition practiced, been in the habit of taking the recommendations of the Board, having confidence in their regard for the public welfare, as well as in their sensibilities—in their integrity, as well as in their humanity.

ADDITIONAL RECOMMENDATIONS.

It is unlikely, that in our day and generation, any essentially new idea will be introduced into the government of the Commonwealth. Its great principles have been settled in the course of Anglo Saxon history. They are irrepealably secured in our Constitution—our individual and social

rights and duties are therein wisely defined. From time to time inequalities and excesses will arise, but they will be readily subordinated to the common welfare. These are but questions of detail. Some of them I suggest for your consideration.

The Constitution requires that the General Assembly, at its first session, or as soon as may be, shall pass such laws as may be necessary to carry the same into full force and effect. No legislation has, as yet, been had, giving effect to section twelve article XVI, in reference to the consolidation of telegraph companies owning competing telegraph lines; nor to section seven article XVII in reference to discrimination in charges or facilities for transportation between transportation companies and individuals.

Some amendments might judiciously be made to the general corporation act of 1874: more specifically, denying exclusive rights to corporations for furnishing light and heat to the public by means of natural gas or electricity. The former is a natural product, and the market for it should not be restricted to a single purchaser. The use of the latter does not seem to have been contemplated in framing the act of 1874.

The legislation appropriate to municipal government, especially in cities of the first and second class, will early engage your attention.

It cannot be disguised, that this subject is rendered difficult by the manifold complexity which characterizes the communal life of a great city. The attempt to secure the life, property, health, and general well-being of hundreds of thousands of individuals, by means of a single municipal organization, tends, of itself, to provoke colliding forces, and its successful accomplishment requires the accommodation of interests of greatest moment. But you will not approach its solution without a substantial ground-work, already laid out for you. The Report of the Municipal Commission, made in 1877, is among your records, and contains a full and complete collation of facts, well digested, and supported by opinions and experience derived from the widest scope of inquiry. The results of their investigation have been embodied in a bill reported by the Commission. The attention of the Legislature has been frequently called to this topic, both by my immediate predecessor and myself, and, at last, it seems imminent that some action must be taken touching this great problem. It will require patient and judicious proceedings, but its successful resolution will mark a distinctive advance in our social progress; it will quiet the fears which anxious publicists have, that a great city—the nursery in the past of freemen—cannot be reduced to conformity to the law of political growth. Surely, such a solution ought not to be beyond the range of practical representatives of a practical people.

The evil and disgrace attending upon the presence of several thousand children, under six years of age, in the alms-houses of the State call for speedy correction. This matter has been presented heretofore in messages and special reports. The subject of licensing the sale of intoxicating liquors will be urgently presented to you. The wide-spread introduction of adulterated food upon the market, deserves sweeping condemnation by legislative enactment. Other topics of this nature will come up for your action, but I am glad to think they are few in number; and that with the passage of the Legislative, Judicial, and Congressional apportionment bills, you will find little need to extend the body of our statute law.

CONCLUSION.

Having thus reviewed the various interests of the State sufficiently, at least, to indicate their importance, and to vindicate their management, I shall say no more of the past. The entire conduct of my administration awaits your scrutiny.

But the political situation which exists to-day is so different from that of four years ago, that I cannot forbear some words of comment. National questions then alone absorbed men's minds. The war was not yet over; at least, the acquiescence in its results, on the part of many, seemed grudging and reluctant. At the same time, business was everywhere in a state of stagnation, so pervading and sorrowful, as to be difficult of recall even in memory. Financial theories, promising relief, but thwarting hope and tending to certain confusion and ruin, were boldly projected upon the people. I had occasion to say then: "henceforth we are to produce and exchange actual things, and not gamble in merely fictitious values." We had then as we can have now, no reliance except "the virtues of labor and economy." Within a year from my inauguration, (chronologically, but in no relation of cause and effect,) the fires of industry were lighted among our mountains and along our rivers; the whole State began to resound with the stir of a busy people, and, in the midst of renewed activity, the schemes of financial necromancers dissolved away. With the election of 1880 the issues of the war were permanently settled—acquiescence in the new state of things became complete. We were again one people, having one flag, as we have one speech, conscious at last of the unity of our national life and destiny. In the natural order of things, one would think the organized ideas, in loyalty to which the country was safely conducted through two such crises as we have encountered since 1860, could look for an almost uninterrupted dominance in the public mind. Had the voters of Pennsylvania been called upon to pass judgment upon the old questions of principle, or even upon the opposing parties in their entirety, there is not the least reason to doubt that they would have re-asserted their old convictions with even greater emphasis than before. But party leaders, like other men, must adapt themselves to existing conditions, or be annihilated by them. Principles never perish, but administrations and legislatures must never forget that "a breath can make them, as a breath has made."

In Pennsylvania the people have determined upon a change. What does this decision mean? To this question three answers are proposed: one cynical and desperate, another pessimistic and hopeless, and a third patriotic and re-assuring.

The first expresses the feeling and wishes of the professional politician. To him the change is only a turn in the fortunes of a game, whereby he has lost or won the stakes for which he played—the spoils of place and power. Accustomed to watch his luck and "hedge" as often as he can and dare, he is perplexed by one of two problems only: how to retrieve his losses, or how to spend his winnings. The prevalence of his view is not at all surprising. This class of statesmen despise the people whom they would cajole, and rely for their success even more upon the apathy of the pure and the intelligent, than upon the activity of the selfish and unscrupulous.

The second view regards the recent overturn as a mere caprice of mo-

bile voters, a public spasm, a sentimental convulsion. It is based, wittingly or unwittingly, upon a latent distrust of the people; it imports a low view of American manhood, and a secret, but ill-disguised, disbelief in our capacity for self-government. If it be, indeed, well-grounded, then there is little hope for the perpetuity of our institutions, and for that magnificent industrial and political development which is the staple of our noblest day-dreams.

But the third view is more hopeful and patriotic. According to it, this change marks the beginning of a new epoch in our political life. Those who cherish it, argue that thousands of our best citizens, relieved of the pressure of national anxieties, and unwilling to live forever in the past, are beginning to study the nature and details of State and municipal government as never before; are awaking to the business and scientific character of political problems, and have determined to thrust aside every individual, and every contrivance, that stands between them and the management of their own affairs. They will no longer be content with automatic activity in politics; they demand a conscious share in this noblest pursuit of intelligent men. The people have come to claim their own, without the intervention of middlemen.

If this view be correct, then the occupation of the professional politician is gone. He belongs to a doomed species; he has outlived the only environment adapted to his nourishment, and must shortly pass away. That this is true, is indicated by our lineage, our traditions, and the character of our recent progress. We are the descendants of men who defied kings and parliaments; we are the children of men who destroyed the congressional caucus, and created the national convention. Our citizens are meeting in their granges and trade-unions, in their industrial leagues and commercial guilds, and are becoming keenly alive to the every-day bearing of politics upon their own and their children's welfare. Even the primary meeting, once treated as utterly beyond the pale of law, the sport of the juggler and the rogue, has become the subject of legislative enactment and protection. Nay, more, even the promises of party platforms conform to the quickened senses of the people, and the necessity of other and better methods has received a certain grave and reverential recognition in party deliverances.

But Rome was not built in a day, nor can the political habits of a half century be transformed by a single decree, even though registered at the ballot-box. If, therefore, condemned political methods are to become permanently disreputable, the thoughtful citizens of this Commonwealth must be ever on the alert, ready at any moment to re-assert their strength, and to claim the fruits of their own victory.

Politicians are willing enough in the day of the people's power. But the leaders of a new epoch must be something more than mere reflectors of current thought and feeling. They must be sagacious and intrepid, more ready to serve the people than themselves. Such leaders can live only in an atmosphere of intelligence and civic courage. The people then must be prompt and generous in the support of real merit; but at the same time they must make every public servant understand that he is a servant and not a master, and that each and all, the highest and the lowest, whether paid by the year or paid by the day, must render faithful and unremitting service.

The people must tolerate no spurious economies, no counterfeit reforms, no mere partisan strategies, no judicial perversions, no legislative excesses, no administration in the interest of persons or classes, or even in the exclusive interest of parties. They must be quick to discern, swift to censure what is clearly wrong, and equally swift to praise what is clearly right. They must make the men in power feel that the eyes of thousands are upon them, and that the day of judgment is always going on. But above all, they must never suffer the conviction to take root that the recent changes were only freaks of circumstances—only spasms of an unstable public mind—only the caprices of irritated and transient feeling.

The Titans will never conquer the Gods if the Gods awake to the combat; the baser forces of society can never permanently overmaster the purer, if the purer will only add to their convictions, courage—if their will power once becomes as active as their intelligence. The enemies of good government will not be idle. Never so very numerous, they multiply themselves indefinitely by their unceasing diligence. Their baleful influence can only be counteracted by a vigilance, an energy, an ingenuity, in some proportion to their own.

For one, I have faith in the conscience, and in the growing intelligence of our Commonwealth, and in its ability to cope with and overcome the evils which have hitherto and may hereafter beset us. To despair of the virtue of the citizen is to despair of self-government, and to despair of self-government is to believe that the frame of human society is without a soul.

We are beginning the third century of our existence as a State. The reminiscences of the hour are well adapted to stir within us reflections upon the possibilities of organized society, the secret of right government, and the duties of the free citizen in the free State. But thoughts without resolution have a sickly hue. Sonorous phrases count for nothing alongside of quiet deeds. Patient participation in public affairs will do more to redeem our politics from the spoiler than the sublimest political philosophy, and the intensest sentiment, if never embodied in action.

To you, the first Legislature in the new century, I now submit my final recommendations. I bespeak for them your painstaking and earnest consideration. In the growth of our Constitution, the great power of the Commonwealth has been vested, and rightly vested, in the legislative body.

You are the legislators of no mean empire. In population almost the equal, in commerce, in manufactures, and in wealth, it far surpasses the England of Elizabeth. Pittsburgh, our second city, contains to-day twice as many people as the London of Cecil and of Shakespeare, whilst Philadelphia has double the number of the London of Milton and of Cromwell. But it would ill become me to descant upon your duties, or the possibilities within your reach. Yet I cannot withhold the utterance of a hope that it may be your good fortune to usher in that new epoch, in our political development, which, I would fain believe, has, at last, begun to dawn.

HENRY M. HOYT.